



Nordhealth

Annual Report 2021



Board of Directors' report

Overview

Mission

Our mission is to build beautiful and easy-to-use software that helps healthcare professionals deliver great care, delight patients/pet parents, increase productivity and grow practice revenue.

Business

Nordhealth acquires, manages, and builds SaaS healthcare practice management software ("PMS") for select healthcare niches. Currently over 30,000 veterinary and therapeutic (such as, physiotherapy, psychotherapy, occupational and speech therapy) professionals across 7,000 clinics and hospitals located in over 33 countries use our PMS products every day. The PMS is a mission-critical software, that includes an extensive array of features such as electronic medical records, outpatient and inpatient workflow management, customer relationship management, unified communication services (SMS, Email, Voice), marketing automation, appointment calendars, online booking, shift scheduling, task management, billing, inventory management, financial and operational reporting, and payments.

Strategy

Nordhealth's strategy is to build one beautiful and easy-to-use cloud-based software for healthcare niche that attract customers through word-of-mouth. Provet Cloud and Diarium are the flagship software for veterinarians and therapists, respectively. Nordhealth's flagship software are cloud-based, easy-to-use, efficient, modular and open. Our open approach enables us to seamlessly integrate with any third-party software and devices such as accounting software packages, imaging devices, in clinic lab devices, external diagnostic laboratories, wholesalers, insurance companies, financing providers and government reporting databases. In addition, our customers can customize or add functionality to our core products by building their own two-way integration into their own applications or any other application they choose via our well-documented REST API.

Nordhealth grows organically by acquiring new customers for current products and upselling current customers. In addition, Nordhealth is able to accelerate growth through acquisitions of a) veterinary and therapy PMS products to accelerate our entrance into new geographies then migrate them to the flagship product b) PMS in new healthcare niches and c) add-on products we can upsell to our current customer base.

Nordhealth continues to support legacy systems from companies that they have acquired until these products and customers are ready to migrate to the Company's flagship cloud-based products. These include Sanimalis, Vetserve, Novasoft, Provet Net, Provet Win and Provet Pet, Aspit.

In the medium term, our objective is to be a global leader in the veterinary and therapy SaaS sector by continuing our proven two-pronged strategy of organic growth and acquisition-led expansion. In the long term, we will expand to other healthcare niches.

History

Nordhealth was originally founded in 2001 by Janne Huttunen. In 2005, the Company entered the Finnish veterinary PMS market with the acquisition of Provet Pet. From 2005 to 2009, the Company developed a cloud-based veterinary practice management software and migrated the majority of the Provet Pet users to the new Provet platform. The Company continue to gain market share and became the #1 veterinary PMS in Finland in 2007.

In 2009, the Company entered the Finnish therapy PMS market with the acquisition of Praktiikka. From 2009 to 2018, the Company developed a cloud-based veterinary practice management software. The Company continue to gain market share and became the #1 therapy PMS in Finland in 2018.



Starting in 2015, the Company began international expansion of its veterinary PMS, Provet Cloud, starting in Estonia in 2015, Sweden in 2016, UK in 2017, Italy and Spain in 2018, Norway in 2019 and US in 2020. The international expansion was supported by acquisitions. As of 31 December 2021, we had acquired and integrated 7 software companies and acquired a further 2 companies in Q1 2022.

Nordhealth AS was incorporated on 6 April 2021 and consequently hasn't published any financial statements. However, Nordhealth AS is a holding company which owns 100% of the shares in Nordhealth Oy, the former parent company of the Group, incorporated on 14 January 2008. The Company became the new parent company of the Group following completion of the Pre-Admission Reorganisation, completed on 18 May 2021.

To accelerate our growth, in June 2021, Nordhealth raised 120 M€ through a private placement and subsequent listing of Nordhealth on Euronext Growth Oslo. The funding raised includes investments from high quality investors based in the US, Europe, and the Nordic region.

The funding will be used to improve four key areas: recruiting and retaining great talent, rethinking our design and development processes, to improve our products, investing in our local implementation and support teams to ensure we deliver great experiences at every touchpoint, and acquiring other software to accelerate our entry to new geographies or to grow our portfolio of add-on products.

Operational highlights

On 1 April 2021, the Group completed the acquisition of Novasoft A/S and its veterinary PMS product Vetvision. The acquisition was a decisive step in the veterinary PMS market entry in Denmark. Financials for the entity are included in the consolidated financial statements from the date of closing.

On 1 June 2021, Nordhealth completed the acquisition of Aspit AS to strengthen the market position and product offering in Norway. Financials for the entity are included in the consolidated financial statements from the date of closing.

The total ARR in the end of 2021 amounted to EUR 24,031 (11,908) thousand, resulting in a 102 % growth. The Group continued to execute its strategy in increasing ARR per share via organic growth and acquisitions, constantly evaluating the most financially reasonable strategy in each market. Acquired entities accounted for EUR 8,835 thousand of the total ARR in the end of 2021. The total organic ARR in the end of 2021 amounted to EUR 14,684 thousand, leading to an organic ARR growth of 23 % compared to the end of 2020. The organic net retention rate in the LTM was 114% and the organic churn rate was 1.5 %.

Consolidated Financial Results for the Group

The Accounting principles used in 2021 are according to Norwegian GAAP, while the financial statements for 2020 were reported according to Finnish Accounting Standards (FAS). No material differences between the accounting frameworks impacting the results or financial position of the Group for the financial periods presented in these financial statements have been identified. The Reporting currency is EUR. All numbers are presented in EUR thousands, unless otherwise stated. The figures in the tables have been rounded to the nearest thousand euros, so they may not add up to precise totals. The numbers in brackets within text refer to the value in the corresponding period a year earlier, unless otherwise stated.

The total revenue grew by 60% in 2021 and amounted to EUR 20,300 (12,685) thousand. The share of recurring revenue in 2021 of the total revenue was 91 (85) % amounting to EUR 18,464 (10,724) thousand, resulting in a 72 % growth. The acquired Aspit and Novasoft entities amounted for 29 % of total recurring revenues in 2021.

The reported EBITDA of EUR -0,222 (3,487) thousand for 2021 includes EUR 2,116 thousand non-recurring costs resulting mainly from the IPO and M&A related activities. EBITDA after adjusting for non-recurring items amounted to EUR 1,895 (3,487) thousand with an EBITDA margin of 9.3 (27.5) %.

The total personnel costs in 2021 amounted to 50 (44) % of revenues. The increase is due to active recruitment activities in line with the growth strategy.

Other operating charges in 2021 include EUR 2,048 thousand non-recurring costs resulting mainly from the IPO and M&A activities. When adjusted for these costs, other operating charges amounted to 24 (17) % of total revenues.



Net interest and other financial items in 2021 totalled EUR -0,188 thousand comprising mainly of foreign currency revaluations.

Total non-current assets amounted to EUR 48,627 (7,149) thousand at the end of December 2021. The significant change is driven by the increase in goodwill, resulting from the Aspit and Novasoft acquisitions.

Intangible assets amounted to EUR 4,556 (2,435) thousand at the end of 2021. The intangible assets mainly consist of capitalized product development costs.

As a result of the listing in Euronext Growth Oslo in June 2021, Group's liquidity is strong. In August 2021 Nordhealth transferred EUR 46,515 thousand of cash to fully liquid money market funds with the aim to minimize negative interests and bank solvency risk. Cash at bank and in hand amounted to EUR 26,210 (3,768) thousand in the end of 2021. The combined value of money market fund holdings and cash amounted to EUR 72,668 thousand at the end of 2021.

Net cash flow from operating activities was EUR 5,567 (4,361) thousand in 2021. When adjusted for the EUR 2,366 thousand cash based non-recurring IPO and M&A related costs, the adjusted net cash flow from operating activities was EUR 7,933 thousand. Net cash flow from financing activities amounted to EUR 109,015 (-1,236) thousand in 2021, with an increase in equity of EUR 116,329 (384) thousand. Repayment of interest-bearing debt amounted to EUR -1,942 (-963) thousand in cash flow, other debt items to EUR -1,641 (-477) thousand, and dividend payments to EUR -3,731 (211) thousand. The dividend payment served mainly for the repayment of interest-bearing holding company loans of the majority owner of Nordhealth AS. The dividend payments were issued before the private placement and subsequent listing to Euronext Growth Oslo.

Financial results for Nordhealth AS

Nordhealth AS was incorporated on 6 April 2021. The financial statements of Nordhealth AS are prepared in compliance with the Norwegian accounting act and generally accepted accounting principles in Norway. The Reporting currency is NOK, and all numbers are presented in NOK thousands unless otherwise stated.

Nordhealth AS does not have any revenues or employees. Operating costs for 2021 amounted to NOK 15,650 thousand and net financial items totalled NOK -7,517 thousand. Non-Recurring items from IPO and group re-organisation amounted to NOK 10,129 thousand in 2021. Net loss for the year was NOK 23,167 thousand.

In 2021 cash flow from operations was NOK -8,407 thousand, and cash flow from financing amounted to NOK 11,426 thousand. At the end of 2021 cash and cash equivalents amounted to NOK 3,018 thousand.

At the end of 2021 total assets amounted to NOK 3,179,938 thousand consisting mainly of shares in subsidiaries. Total equity amounted to NOK 3,179,938 thousand. The Company has no long-term liabilities.

Dividend payment

On 31 December 2021 the parent company's distributable funds totalled NOK 3,091,910 thousand. The Board of Directors proposes to the Annual General Meeting that no ordinary dividends be distributed for the financial year 2021.

Going Concern

In accordance with the Norwegian Accounting Act, the Board of Directors confirms that the annual accounts have been prepared in accordance with the going concern assumption. The confirmation is based on an estimated long-term profitable growth and Group's equity standing and strong cash position.

Research and development

The Group focuses heavily on developing its cloud-based products Diarium and Provet Cloud. Building customisable products enables the Group's ability to expand internationally. Maintaining current market leader position and to serve future demands requires the Group to deliver new technology and/or make the necessary updates to existing products. Failure to do so could result in both loss of existing customers and failure to attract new ones. In 2021, development expenses totalling EUR 3,035 (1,412) thousand have been capitalised and EUR 3,223 (1,376) thousand have been recorded as an expense.



Impact on external environment

As a software company the Group's operations do not directly have any negative effect on the environment. Wherever possible, the Group chooses renewable energy sources in their operations. The Group's remote-first model reduces carbon footprint and effective collaboration tools reduces unnecessary physical travel.

Headcount and personnel expenses

People and their well-being are at the core of all activities. Responsibility is reflected in Nordhealth's operations in the everyday lives of employees. These include securing our employer's promises and employee benefits. Nordhealth as an employer emphasizes opportunities for professional progression, and a work-life balance in an inclusive culture. The Group's remote-first model is an opportunity to work from anywhere. This can only be achieved by ensuring that the general principles used when recruiting and onboarding strengthen equality and inclusion – without interfering with the background, nationality, gender or age of the staff.

Nordhealth had 251 (127) employees at the end of 2021. Employees represent more than 20 different nationalities in over 10 countries of all ages. Employee turnover in 2021 was 12.9% (9.5). No accidents or injuries occurred during the year. As at the end of 2021, members of the management team consisted of three males and two females. The Board of Directors consisted of four males.

	Group 2021	Group 2020
Average number of employees	189	102

Parent company Nordhealth AS doesn't have any employees.

Personnel by country 31.12.2021	2021	2020
Norway	78	21
Other Nordic countries	144	104
Other countries	29	2
Total	251	127

Board of Directors

The Board of Directors consists of a Chairperson and three Board Members:

Name	Role	Served since	Term-expires
Didier Breton	Chairperson	2021	2023
Janne Huttunen	Board Member	2021	2023
Olli Venemies	Board Member	2021	2023
Javier Mata	Board Member	2021	2023

The liabilities of the Company's Board of Directors and the Group's key management is covered by a Directors and Officers (D&O) insurance policy.

Shares and shareholders

As at 31 December 2021 the Nordhealth AS had a total of 79,999,999 shares outstanding. The Company's shares are divided into two share classes as further detailed below. Only the A-shares are subject to trading in the Euronext Growth Marketplace

A-shares comprise a total of 45,000,000 shares and carry one vote and equal rights in all respects, including rights to dividends. All A-shares are freely transferable. B-shares comprise a total of 34,999,999 shares and are unlisted shares. Each B-share carries 10 votes per share and may at any time, at the option of the holder, be converted into an A-share. If the Unlisted Shares constitute less than 5% of the outstanding number of shares in the Company, they will automatically be converted to A-shares.



TOP 10 shareholders on 31 December 2021

Investor	A-shares	B-shares	Number of total shares	% of top10	% of total	Type	Country
J.P. Morgan Bank Luxembourg S.A.	4 956 027	29 742 998	34 699 025	54 %	43 %	Nominee	Luxembourg
State Street Bank and Trust Comp	6 504 657	-	6 504 657	10 %	8 %	Nominee	US
Nordnet Bank AB	896 394	5 084 866	5 981 260	9 %	7 %	Nominee	Sweden
Morgan Stanley & Co. Int. Plc.	4 757 913	-	4 757 913	7 %	6 %	Nominee	UK
Fjarde AP-Fonden	3 500 000	-	3 500 000	5 %	4 %	Ordinary	Luxembourg
Goldman Sachs & Co. LLC	2 698 714	-	2 698 714	4 %	3 %	Nominee	US
Skandinaviska Enskilda Banken AB	1 718 539	-	1 718 539	3 %	2 %	Nominee	Luxembourg
HSBC Trinkaus & Burkhardt AG	1 591 900	-	1 591 900	2 %	2 %	Nominee	Germany
Skandinaviska Enskilda Banken AB	1 253 077	-	1 253 077	2 %	2 %	Nominee	Sweden
Morgan Stanley & Co. LLC	1 229 698	-	1 229 698	2 %	2 %	Nominee	US
Total number owned by top 10	29 106 919	34 827 864	63 934 783		80 %		
Total number of shares	45 000 000	34 999 999	79 999 999		100 %		

Risks

Operational risks

Although most of the Group's contracts with customers for use of the Group's Software-as-a-Service ("SaaS") services are automatically renewed, the Group is still dependent on retaining existing contracts and obtaining new contracts on acceptable terms, to maintain and/or increase its revenues. If the Group fails in retaining existing customers and attracting new customers, it could have a material adverse effect on its results of operations, cash flow, financial condition and/or prospects.

The effectiveness of the Group's software platform is highly dependent on valuable partnerships with respect to IT-applications used by the Group and integration with necessary software, especially integration with various systems utilised by the Group's customers and partners. Although the Group has successfully entered into valuable partnerships and integrated their technology with third party suppliers, any changes in such third-party systems may result in the Group's technology being incompatible with such system and in turn may have a material adverse effect on the Group's results of operations, financial condition and/or prospects.

The Group is handling data within the healthcare sector and other sectors that may be linked to individual persons, which by its nature is highly sensitive. The Group is liable to its customers, regulatory authorities, and the individuals whose personal data is handled for damages caused by unauthorised use or disclosure of personal data as well as sensitive and confidential information. Unauthorised disclosure of any such information may result in significant fines and may damage the Group's brand and/or reputation and may lead to customer attempting to cancel existing agreements with the Group. These factors may in turn have an adverse effect on the Group's ability to attract and retain customers and partners and in turn adversely affect the Group's business, cash flow, operating results, and financial position.

The Group's business requires specialized and skilled personnel. There is a risk that the Group will be unable to keep enough appropriate key executives, key employees, and qualified new employees to effectively manage the business. There can be no assurance that the Group will be successful in retaining its key executives, key employees and qualified employees or replace such personnel with corresponding qualifications. If the Group fails to do so, it could have a material adverse effect on the Group's business, prospects, financial results and/or results of operations.

Financial risks

The Group is dependent on current financing arrangements, renewal of these and/or obtaining new financing agreements to fund its operations, working capital or capital expenditures. The Group cannot assure that it will be able to obtain any additional financing or retain or renew current financing upon expiry on terms that are acceptable, or at all. If funding is insufficient at any time in the future, the Group may be unable to execute its business strategy or take advantage of business opportunities, any of which could adversely impact the Group's business, results of operations, cash flows and financial condition.



The Group is dependent on having access to long-term funding and may in the future require additional funding in the form of either debt or equity to successfully execute its strategy and to finance further growth. There can be no assurance that the Group will be able to raise additional capital necessary to conduct its ongoing and future operations, at the required time or on acceptable terms and there can be no assurance that the Group will not experience net cash flow shortfalls exceeding the Group's available funding sources. If required funds are not available, this could have a material adverse effect on the Group's business, financial condition, and prospects.

Mergers and acquisitions

As part of the Group's growth strategy, the Group considers the acquisition of other companies to expand the Group's existing business and create economic value. The Group cannot assure that it will be able to consummate any such transactions or that any future acquisitions will be consummated at acceptable prices and terms.

The Group continually evaluates potential acquisition opportunities in the ordinary course of business, including those that could be material in size and scope. Acquisitions involve a number of special risks, including (i) the diversion of management's attention and resources to the assimilation of the acquired companies and their employees and to the management of expanding operations, (ii) problems associated with maintaining relationships with employees of acquired businesses, (iii) the increasing demands on the Group's operational systems and technical capabilities, (iv) ability to integrate and implement effective disclosure controls and procedures and internal controls for financial reporting within allowable time frames, (v) risks associated with the ability to fund expected and unexpected capital costs and expenses associated with any acquired entity/assets and (vi) the loss of key employees of acquired entities/assets.

The Group may also become responsible for unexpected liabilities that the Group failed or was unable to discover in the course of performing due diligence in connection with historical acquisitions and any future acquisitions and indemnification rights which have been obtained, or will in the future be obtained, may not be enforceable, collectible or sufficient in amount, scope or duration to fully offset the possible liabilities associated with the assets acquired. Any of these liabilities, individually or in the aggregate, would, if materialised, have a material adverse effect on the Group's businesses, products, prospects, financial condition and results of operations.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to exchange rate fluctuations. Exposure to currency risks arises primarily when receivables and payables are denominated in a currency other than the operating company's local currency. In addition, the Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures on translation, primarily with respect to fluctuations in the EUR/NOK, EUR/SEK, and EUR/USD exchange rate. The Group manages its currency risk by closely monitoring the currency fluctuations and does not hedge its currency risk.

Credit risk

The Group has a significant amount of trade receivables and will be dependent on being able to collect such receivables. Consequently, the Group may be exposed to financial loss if a customer or counterparty fails to meet its contractual obligations. To the extent payment is done by payment letter or credit or otherwise given, the Group is vulnerable to credit risk and any failure by its counterparties to meet their obligations may affect the Group's income. Failure to collect its trade receivables or customers' unwillingness or inability to pay could have a material impact on the Group's business and financial condition.

With a wide customer base, credit risk from a single counterparty is limited.

Dividend policy

The Company currently intends to retain future earnings to finance the growth and development of its business. The Company's dividend policy will be reviewed from time to time and payment of any future dividends will be effective after the Shareholders approval as recommended by the Board of Directors of the Company after considering various factors including the Group's business prospects, cash requirements, financial performance, new product development, plans for international expansion and



the legal restrictions. If the Company declares any dividends, the same dividend per share will be paid on the Shares and the Unlisted Shares.

Significant events after the reporting period

On 31 January 2022, Nordhealth completed its acquisition of EasyPractice, a leading cloud-based practice management software provider for therapists.

On 1 February 2022, Yoma Consulting and its Provet Cloud implementation and developments specialists joined Nordhealth.

On 17 February 2022, Extraordinary General Meeting of Nordhealth AS was held. In this meeting, Board of Directors was granted an authorisation to increase the share capital by issuance of new shares and an authorisation to acquire own shares. In accordance with Section 9-4 of the Companies Act, the board is granted an authorisation to acquire own shares on behalf of the Company with a total nominal value of up to NOK 7,999,999, i.e., up to 7,999,999 shares. The maximum amount which can be paid for each share is NOK 50 and the minimum is NOK 1. Acquisition and sale of own shares may take place in any way the board of directors finds appropriate, however not by way of subscription of own shares. The authorisation replaces the current authorisations to acquire own shares when registered in the Norwegian Register of Business Enterprises. The authorisation is valid until and including the date of annual general meeting in 2022, but not later than 30 June 2022.

On 6 April 2022, it was resolved by the Board of Directors to increase share capital by NOK 191,747, divided into 191,747 Class A shares, each with nominal value of NOK 1.00. Following registration of the share capital increase the Company has a share capital of NOK 80,191,746, divided into 45,191,747 Class A shares and 34,999,999 Class B shares, each with nominal value of NOK 1.00.

Nordhealth management and employees have been devastated by the recent events in Ukraine. Whilst the safety and wellbeing of those impacted continues to be the primary concern of all, Nordhealth management have considered the risks caused by the situation which may impact the Group's liquidity, operating results and financial reporting. In making the assessments and accounting judgments management has considered company-specific evidence as well as the broader implications, including the stated sanctions. In their analysis management has considered suspended operations, possibility of cyber-attack, loss of customers or end markets, current inability of customers or debtors to pay. Nordhealth does not have customers, employees or vendors in the affected regions. The Group has ongoing security audit procedures minimizing the risk of the unlikely event of a cyber-attack. Based on the analysis the Group has not recognized any impairments, valuation allowances or other write downs in the 2021 financial statements nor during the accounting period up until the publication of these financial statements.

Guidance for 2022

Signed organic ARR growth of 20-25% excluding future acquisitions, leading to signed ARR between EUR 31,0 million and EUR 32,4 million before acquisitions.

The Board of Directors of Nordhealth AS, Molde 28 April 2022

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 Charles MacBain
 CEO

DocuSigned by:

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 Olli Venemies
 Board member

DocuSigned by:

 24B1ED3150D14E6...
 Didier Breton
 Chairman of the board

DocuSigned by:

 1A6E168FE2A46...
 Janne Huttunen
 Board member

DocuSigned by:

 E5F87587906147E...
 Mari Orttovuori
 Chief Financial Officer

DocuSigned by:

 9D068FC8914A478...
 Javier Mata
 Board member



Consolidated Financial Statements

Consolidated Income Statement

EUR in thousands	Note	2021	2020
Recurring revenue	4	18 464	10 724
Other revenue		1 836	1 960
Total revenue		20 300	12 684
Other operating income		31	312
Total operating income		20 331	12 996
Material and services		(3 562)	(1 751)
Personnel expenses	5	(10 073)	(5 555)
Other operating charges	6	(6 918)	(2 203)
Total operating expenses		(20 553)	(9 509)
Operating profit (loss), before Depreciation (EBITDA)		(222)	3 487
Depreciation and amortization	9	(1 305)	(1 007)
Amortization of goodwill	9	(2 931)	(506)
Operating profit (EBIT)		(4 458)	1 975
Other financial income	8	758	279
Interest expenses	8	(41)	(40)
Other financial expenses	8	(905)	(212)
Profit (loss) before tax		(4 646)	2 001
Taxes	7	(85)	(73)
Net profit (loss)	15	(4 731)	1 928



Consolidated Balance Sheet

ASSETS

EUR in thousands	Note	2021	2020
Intangible assets			
Intangible assets	9	4 556	2 435
Deferred tax assets		45	-
Other capitalized long-term expenses	9	68	34
Goodwill	9	43 002	4 135
Total intangible assets		47 671	6 605
Tangible assets			
Machinery and Equipment	9	765	306
Total tangible assets		765	306
Financial assets			
Other shares and similar rights of ownership	9	191	189
Loan receivables, long-term		-	49
Total financial assets		191	238
Total non-current assets		48 627	7 149
Accounts receivable	10	2 433	1 151
Loan receivables, short-term		49	149
Other receivables		701	175
Prepayments and accrued income	11	650	506
Total receivables		3 833	1 981
Money market funds	12	46 458	-
Total investments		46 458	-
Cash at bank and in hand	12	26 210	3 768
Total Cash at bank and in hand		26 210	3 768
Total current assets		76 500	5 749
Total assets		125 127	12 898



EQUITY AND LIABILITIES

EUR in thousands	Note	2021	2020
Paid-in Equity			
Share capital	15	7 829	3
Share premium reserve	15	108 886	-
Other paid-in equity	15	-	384
Total paid-in equity		116 715	387
Retained earnings			
Other equity	15	(2 209)	4 567
Total retained earnings		(2 209)	4 567
Total equity	15	114 506	4 954
Non-current liabilities			
Non-current liabilities to credit institutions		25	1 638
Other non-current liabilities		751	2 392
Total non-current liabilities	16	775	4 030
Current liabilities			
Current liabilities to credit institutions		25	353
Advances received	17	3 806	500
Accounts payable		1 055	478
Other current liabilities		1 662	791
Accrued expenses and deferred income		3 298	1 793
Total current liabilities		9 846	3 915
Total equity and liabilities		125 127	12 898

The Board of Directors of Nordhealth AS, Molde 28 April 2022

DocuSigned by:

Charles MacBain

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Charles MacBain
CEO

DocuSigned by:

Olli Venemies

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Olli Venemies
Board member

DocuSigned by:

Didier Breton

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Didier Breton
Chairman of the board

DocuSigned by:

Janne Huttunen

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Janne Huttunen
Board member

DocuSigned by:

Mari Orttenvuori

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Mari Orttenvuori
Chief Financial Officer

DocuSigned by:

Javier Mata

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Javier Mata
Board member



Consolidated Cash Flow Statement

EUR in thousands	2021	2020
Cash flow from operations		
Profit (loss) before income taxes	(4 646)	2 037
Taxes paid for the period	(36)	(73)
Net financial items	905	(7)
Depreciation and amortization	4 236	1 513
Change in trade debtors	(1 281)	100
Change in trade creditors	577	(50)
Change in other provisions	5 812	841
Net cash flow from operations	5 567	4 361
Cash flow from investments		
Investments in tangible and intangible assets	(3 377)	(1 421)
Disposal (purchase) of shares and investments	(42 246)	-
Disposal (purchase) of other investments	(2)	-
Purchase of money market funds	(46 515)	-
Net cash flow from investments	(92 140)	(1 421)
Cash flow from financing		
Change in debt	(3 583)	(1 410)
Issuance of Equity	116 329	384
Payment of dividend	(3 731)	(211)
Net cash flow from financing	109 015	(1 236)
Net change in cash and cash equivalents	22 442	1 704
Cash and cash equivalents at the beginning of the period	3 768	2 064
Cash and cash equivalents at the end of the period	26 210	3 768
Money market fund	46 515	-



Notes to the Consolidated Financial Statements

Note 1 – Reporting entity

Nordhealth AS (the "Company" and, together with its consolidated subsidiaries, the "Group" or "Nordhealth") is a public limited company registered in Norway and traded on the Euronext Growth Oslo. The Company's registered business address is Eikremsvingen 9, 6422 Molde, Norway.

Nordhealth AS was incorporated on 6 April 2021 and consequently hasn't published any financial statements. However, the Company is a holding company which owns 100% of the shares in Nordhealth Oy, the former parent company of the Group, incorporated on 14 January 2008. The Company became the new parent company of the Group following completion of the Pre-Admission Reorganisation, completed on 18 May 2021.

The consolidated financial statements have been prepared for the accounting period of 12 months from January 1 to December 31, 2021. The financial statements were authorized for issue by the Board of Directors of Nordhealth AS on 28 April 2022. A copy of the consolidated financial statements is available on the company's investor site at <https://nordhealth.com/investor>.

Note 2 – Basis of presentation

The 2021 consolidated financial statements of Nordhealth AS and its subsidiaries are prepared in compliance with the Norwegian accounting act and generally accepted accounting principles in Norway. The transfer of Nordhealth Oy Group's financial statements was recognised with continuity and therefore financial information is presented as of 1 January 2020. The conversion from FAS to NGAAP on 1 January 2021 did not have any impact on the results of financial position of the company.

The presentation currency of Nordhealth Group is euro (EUR). Nordhealth Group financial statements are presented in thousands of EUR. Nordhealth Group uses EUR as the presentation currency for the consolidated financial statements as this currency is used to analyse Group's KPI's and make operational decisions. Nordhealth operates in a global market, in terms of customers, employees, and investors so therefore EUR as the presentation currency can be seen more useful to Group's stakeholders.

Individual figures and total sums have been rounded for presentation purposes, which may result in rounding errors in the calculated sum amounts presented. Key figures have been calculated using exact figures. The numbers in brackets within text refer to the value in the corresponding period a year earlier, unless otherwise stated.

Note 3 – Accounting principles

Consolidation principles

The consolidated financial statements comprise the parent company Nordhealth AS and companies in which the Group has control directly or indirectly. Subsidiaries are consolidated from the date on which control is transferred to Nordhealth and consolidated up to their date of their disposal. Intercompany transactions, receivables, liabilities, and unrealized margins, as well as distribution of profits within Group, are eliminated on consolidation. Shares in subsidiaries are eliminated in the consolidated financial statements against the acquired equity of the subsidiary. The acquisition cost of a subsidiary is allocated to identifiable assets and liabilities. Excess value that cannot be attributed to specific assets or liabilities is classified as goodwill and amortized over expected useful life.

Currency Translation

The income statements of group companies have been converted to euro by using monthly average exchange rate for the financial period. In equity, share capital and other paid in equity are converted at acquisition date rates and other equity has been converted at historical rate. Other balance sheet lines have been converted by using the official European Central Bank rates at the end of the financial period.

**Transaction risk**

The sales revenue and, respectively, purchases of Group companies are mainly generated in the local currency. Transaction risk arises from transactions and payments in currencies other than the unit's functional currency, and when the related cash inflows and outflows differ in amount or timing. Transactions in foreign currencies are translated into the companies' functional currencies at the rate of exchange prevailing at the date of the transaction. Exchange rate gains and losses from operations are included in financial income and expenses in the statement of income.

Translation risk or equity-related exchange rate risk

The Group incurs translation risk when the equity of foreign Group companies is denominated in a currency other than the acquiring company's functional currency. In addition, the Group incurs translation risk from converting items related to goodwill or purchase price allocations denominated in a currency other than the acquiring company's functional currency into the acquiring company's functional currency.

Translation differences from exchange rate differences resulting from the translation of the financial period's result into the financial period's average exchange rate and the translation of the balance sheet items to the closing rate are recognized in equity. Cumulative translation differences related to foreign currency subsidiaries are transferred to profit or loss when the foreign currency subsidiary is divested.

Cost of issuing equity

Material transaction costs directly related to an equity transaction is recorded as a deduction from other paid-in equity. This applies to issuance of shares and results as an increase or decrease of equity.

Cash flow statement

The cash flow statement has been prepared following the indirect method. Cash and cash equivalents include cash, bank deposits, and other short-term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the measurement of the reported assets and liabilities and other information, such as contingent assets and liabilities and the recognition of income and expenses in the consolidated statement of income.

The estimates are based on prior experience and assumptions concerning the future deemed most likely on the balance sheet date, related to factors such as the expected development in the Group's financial operating environment with regards to sales and cost levels. The Group regularly monitors the accuracy of the estimates and assumptions and changes in their supporting factors together with its business units, using several internal and external data sources. Any changes in the estimates and assumptions are entered in accounting in the period during which the estimates and assumptions are adjusted, as well as in all subsequent periods. Although these estimates and assumptions are based on the management's best knowledge of current events and actions, actual results may differ from the estimates used in the preparation of financial statements.

Management judgement is also needed in the application of accounting standards in which alternative recognition, measurement or disclosure methods exist under the current accounting standards.

The most significant management judgements relate to assumptions used in the following:

- Goodwill – Note 9
- Deferred tax assets – Note 7
- Capitalized development expenses – Note 9



Classification of assets and liabilities

Non-current assets consist of tangible and intangible assets and financial assets which mature in more than 12 months. Current financial assets include trade receivables and other receivables and other financial assets which mature in less than 12 months.

Financial liabilities are classified as non-current liabilities if they mature in more than 12 months. Liabilities maturing in less than 12 months are classified as current.

Valuation of financial assets and liabilities

At initial recognition financial assets and liabilities are measured at cost. Permanent changes in fair value of financial assets and liabilities are recognised through profit or loss. Investment in money market fund is measured at the lower of fair value and acquisition cost with changes in fair value recognised in profit or loss.

Revenue recognition

Majority of Groups revenue is recurring revenue where the software is taken into use at the customers, and customer has the right to use the software according to the license agreement. Customers are charged a base fee per user per billing period or a percentage of revenue for the core features and can purchase additional modules through an additional subscription price or a transaction fee based on usage. Invoices are generated on annual, semi-annual, quarterly, or monthly on upfront basis and revenue is carried over to the subscription period. Recurring revenue totalled to 91% of groups revenue in 2021.

Group also offers additional services related to implementation of the SaaS systems, including consultancy services, education, and data conversion. Revenue from services is recognized as income during the financial period during which the services are rendered.

The Group's revenues consist primarily of revenues related to Software-as-a-Solution services. Revenue is recognized on a straight-line basis over the lifetime of the underlying agreement.

Development expenses capitalization

Development expenses capitalized are mainly software development costs. Software development costs are capitalized when it is probable that future economic benefits attributable to the software will flow to the entity through revenue generation and / or cost reduction. Development costs include external direct costs for services and internal labour related costs directly and indirectly involved in the development of the software. Capitalized software development costs are amortized on a straight-line basis over three to ten years, during which the benefits are expected to realize.

Expenses related to research activities are expensed as they occur.

Goodwill

Group goodwill arises from business acquisition and value is based on the excess value of the acquisition cost compared to acquiree's identifiable fair value of net assets at the time of the acquisition. Goodwill is recorded in the functional currency of the acquired entity and therefore subject to conversion difference if the functional currency in the subsidiary is not EUR.

Taxes

Tax expenses in the consolidated income statement comprise of tax based on taxable income together with changes in deferred taxes. The taxes based on the taxable income for the period are calculated according to the effective tax rates in each country.

Deferred taxes are calculated on all temporary differences between the carrying amount and tax value. Temporary differences arise from sources such as fair value measurement of financial assets, differences between taxable values and carrying amounts on fixed assets, and the capitalization of intangible rights recognized in connection with business acquisitions. Deferred tax is not recognized for non-deductible impairment of goodwill or undistributed earnings of subsidiaries to the extent that it is probable that the difference will not be realized in the foreseeable future. Deferred taxes have been calculated using the tax rates enacted or tax rates of which confirmed content has been published by the closing date. Deferred tax assets are recognized for tax losses carried forward and other temporary differences to the extent that corresponding taxable profits are



likely to be generated in the future periods. Management estimates the amount of deferred tax assets and the probability of utilization on each balance sheet date. Deferred tax assets and liabilities are offset if the entity has a legally enforceable right to offset the tax assets and liabilities based on the period's taxable income, and the deferred tax assets and liabilities relate to income taxes within the same tax jurisdiction. Deferred tax assets and liabilities are presented on the balance sheet as separate items included in non-current assets or liabilities.

Government grants

The Group recognises government grants only when there is reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received. Government grants are recognised in profit or loss in the corresponding line item to which the underlying expense relates to. Government grants are recognised on a systematic basis over the periods in which the related costs for which the grants are intended to compensate are recognised. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised in profit or loss of the period in which it becomes receivable.

The Group (Aspit AS) has received government grants from "SkatteFUNN" related to research and development in 2021 amounting to EURO (443) thousand.

Note 4 – Operating segments

Revenue by operating segment				
	2021	%	2020	%
Veterinary	11 463	56 %	8 630	68 %
Therapy	8 069	40 %	2 537	20 %
Incubator	768	4 %	686	5 %
Advanced technologies*	-	0 %	832	7 %
Total	20 300	100 %	12 685	100 %

*Disposed in 2020

Revenue by geographical areas				
	2021	%	2020	%
Norway	9 186	45 %	3 767	30 %
Finland	5 882	29 %	6 108	48 %
Sweden	3 448	17 %	2 433	19 %
Other Countries	1 784	9 %	377	3 %
Total	20 300	100 %	12 685	100 %

Note 5 – Personnel and remuneration

Personnel expenses		
	2021	2020
Salaries	8 461	4 759
Pensions	946	542
Other social security expenses	666	254
Total	10 073	5 555

Average numbers of employees in 2021 was 189.

In 2021, personnel expenses totalling EUR 2,516 (1,356) thousand have been capitalised as development cost.



Nordhealth operates various employee benefit plans in the countries it has presence. The pension benefits provided by Nordhealth to its employees are organized through defined contribution plans. Under defined contribution plans, contributions are recorded as an expense in the accounting period to which they relate.

The Group's pensions are handled by external pension insurance companies. The most significant defined contribution pension plan is the statutory Finnish employee pension scheme (Finnish Statutory Employment Pension Scheme "TyEL"), according to which the benefits are directly linked to the beneficiary's earnings. TyEL is arranged through pension insurance companies.

CEO's salaries and benefits

	2021	2020
Salaries	77	-
Bonus	150	-
Pension	23	-
Other*	75	131
Total	325	131

*Until H1/2021, CEO's salaries were invoiced through management fee.

CEO bonuses are based on the Group's operational and financial KPIs approved by the board of directors on an annual basis. There are no share-based arrangements, existing loan agreements, provision of financial guarantees or any other agreements in place that would give rise to any additional liability or payments in the form of severance pay or in any other way.

In 2021 the Board members employed by Nordhealth Group did not receive additional fees for their contribution as Board members. Members of the Board not employed by Nordhealth Group did not receive fees for their contribution as Board members. External board members were paid fees for their services as advisors in the 2021 IPO amounting to EUR 200 thousand. There are no share-based arrangements or any other agreements in place that would give rise to any additional liability or payments to the external Board members.

Note 6 – Other operating expenses

	2021	2020
Other voluntary personnel expenses	351	156
Premises	709	474
IT expenses	963	384
Travel expenses	187	82
Marketing expenses	408	135
Administrative expenses	3 527	891
Other operative costs	772	81
Total	6 918	2 203

In 2021, other operative costs include EUR 465 thousand of transfer tax from the share for share exchange.

Auditing services

	2021	2020
Statutory audit	77 204	60 934
Technical accounting and tax counselling	31 800	-
Other services	33 450	15 480
Total	142 454	76 414

Amounts excluding VAT.



Related parties

The Group's related parties are considered to include the members of Nordhealth AS Board of Directors, the CEO, and other members of the Group Management Team, as well as the family members of the above-mentioned individuals. All transactions with related parties are based on the arm's length principle. External board members were paid fees for their services as advisors in the 2021 IPO amounting to EUR 200 thousand.

Note 7 – Income tax expense

Payable tax	2021	2020
Profit (loss) before taxes	(4 646)	2 001
Permanent differences	(4 365)	(214)
Change in temporary differences	(36)	26
The year's tax base	(9 048)	1 812
Payable (receivable) tax	(1 990)	73
Total tax payable (receivable)	(1 990)	73
Temporary differences	2021	2020
Tangible fixed assets	(237)	(227)
Receivables	(127)	(128)
Other current liabilities	33	60
Total temporary differences	(331)	(295)
Tax losses carried forward	(8 003)	(2 639)
Not included in deferred tax base		58
Total	(8 334)	(2 875)
Calculated deferred tax/(deferred tax benefit)	(1 772)	(633)
Of which deferred tax asset recognized	45	76
Of which deferred tax asset that is not recognized	1 727	557
Deferred tax/(deferred tax benefit)	45	76
Explanation of this year's tax expense		
Change in deferred tax	48	-
Prior period adjustment	6	-
Tax on the profit for the financial period	30	73
This year's tax expense	85	73
Specification of income tax		
Profit (loss) before taxes	(4 646)	2 001
Taxes based on the current tax rate in Norway, 22 %	1 022	440
Different tax rates of foreign subsidiaries	28	30
Permanent differences and other differences	(960)	(41)
Temporary differences	(73)	
Taxes for previous financial periods	(6)	-
Utilization of previously unrecognized tax losses	144	-
Other items	(69)	(397)
Calculated income tax expense	85	31



Losses carried forward

Entity	Country	Tax loss carried forward	Tax rate	Deferred tax benefit not capitalized
Nordhealth Denmark AS	Denmark	(55)	22 %	(12)
Aspit AS	Norway	(2 652)	22 %	(583)
Aspit Sverige AB	Sweden	(7)	21 %	(1)
Nordhealth AS	Norway	(2 234)	22 %	(491)
Nordhealth Oy	Finland	(2 514)	20 %	(503)
Nordhealth Finland Oy	Finland	(543)	20 %	(109)
Total		(8 003)		(1 699)

The group companies have recognized EUR 142 thousand of unused tax losses from periods prior to the establishment of Nordhealth AS Group. The Group has not recognized any deferred tax assets based on the 2021 result because the utilization of the losses was uncertain at the time of preparing the financial statements.

Note 8 – Financial items

	2021	2020
Exchange rate gains	758	279
Total financial income	758	279
Interest expenses	41	40
Exchange rate losses	905	212
Total financial expenses	946	252

Note 9 – Intangible and tangible assets

Fixed assets consist of intangible and tangible assets. Intangible assets comprise mainly goodwill, development expenses, intangible rights, and other capitalized long-term expenses, and are measured at historical cost less accumulated amortization and impairment losses, if any. Tangible assets comprise of machinery and equipment and are measured at historical cost, less accumulated depreciation, and impairment losses, if any. Subsequent improvement costs related to an asset are included in the carrying value of such an asset or recognized as a separate asset, as appropriate, only when the future economic benefits associated with the costs are probable, and the related costs can be separated from normal maintenance costs.

Depreciation of tangible assets and amortization of intangible assets with a definite useful life is calculated on a straight-line basis over the expected economic life of the assets, being the following:

Machinery and equipment	3–5 years
Development expenses	3–10 years
Intangible rights	3–5 years
Other capitalized l-t expenses	3–5 years
Goodwill	10 years

Expected economic life of 10 for goodwill is estimated based on customer life cycle expectancy.

Management exercises judgement in determining whether the incurred development expenses meet capitalisation criteria and whether the carrying amount of capitalised development exceeds the expected future cash flows of the software they relate to.

In 2021, development expenses totalling EUR 3,035 thousand have been capitalised. In 2021, personnel expenses totalling EUR 2,516 (1,356) thousand have been capitalised as development cost. 85 % of the capitalized development costs in total have been internally developed.



Development costs totalling EUR 3,223 thousand have been expensed through profit and loss.

The Group estimates that future economic benefits attributable to the software to which the capitalised development expenses relate to exceed their carrying amount. Ongoing development activities focus on adding new features to existing products as well as on the localisation of the products for new market entry.

Intangible Assets	Development expenses	Intangible rights	Other capitalized long-term expenses	Goodwill	Group Goodwill	Total
Acquisition value 1.1.	6 326	369	98	100	4 890	11 784
Acquisition of Aspit AS	-	181	-	383	41 001	41 564
Acquisition of Novasoft A/S	-	-	-	-	848	848
FX Rate movements	42	9	-	-	(67)	(17)
Increases	3 035	-	53	-	-	3 088
Deductions	-	-	-	(33)	-	(33)
<u>Acquisition value 31.12.</u>	<u>9 402</u>	<u>559</u>	<u>151</u>	<u>449</u>	<u>46 671</u>	<u>57 233</u>
Amortization 1.1.	(4 152)	(130)	(64)	(78)	(755)	(5 179)
Acquisition of Aspit AS	-	(41)	-	(368)	-	(410)
FX Rate movements	(25)	11	-	-	17	3
Amortization	(887)	(180)	(20)	(4)	(2 931)	(4 022)
<u>Amortization 31.12.</u>	<u>(5 065)</u>	<u>(340)</u>	<u>(84)</u>	<u>(449)</u>	<u>(3 669)</u>	<u>(9 608)</u>
Net book value	4 338	218	68	0	43 002	47 626

Tangible assets	Machinery and equipment	Other tangible assets	Total
Acquisition value 1.1.	1 212	-	1 212
Acquisition of Aspit AS	1 079	9	1 087
FX Rate movements	33	-	33
Increases	350	-	350
Deductions	(7)	-	(7)
<u>Acquisition value 31.12.</u>	<u>2 667</u>	<u>9</u>	<u>2 676</u>
Depreciation 1.1.	(906)	-	(906)
Acquisition of Aspit AS	(764)	-	(764)
FX Rate movements	(26)	-	(26)
Depreciation	(214)	-	(214)
<u>Depreciation 31.12.</u>	<u>(1 910)</u>	<u>-</u>	<u>(1 910)</u>
Net book value	757	9	765



Investments	Other shares	Total
Acquisition value 1.1.	189	189
Increases	2	2
<u>Acquisition value 31.12.</u>	<u>191</u>	<u>191</u>
Net book value	191	191

Goodwill impairment testing

Goodwill represents the part of the acquisition cost exceeding the Group's share of the fair value of the acquired company's net assets at the time of acquisition. Goodwill is measured at original acquisition cost less amortisation and impairment. Goodwill is tested if an indication for an impairment exists.

The need for impairment is reviewed at the level of cash-generating units (CGU) expected to benefit from the synergies of the acquisition. Monitoring and testing of goodwill mirror the way that management follows operations. The carrying amount of a CGU and the assets allocated to it are compared with the recoverable amount of the GCU determined based on a value in use calculation. If the recoverable amount is lower than the asset's carrying amount, impairment is recognised as an expense in the income statement. The value in use is determined as the current value of future cash flows.

Impairment losses recognised for goodwill cannot be reversed.

Carrying goodwill amounts have been allocated to cash-generating units as shown in the table below as at 31 December 2021:

	2021	2020
Therapy	38 674	66
Veterinary	4 327	4 069
Total	43 002	4 135

Goodwill within the Therapy cash-generating unit was recognised in connection with the acquisition of Aspit AS EUR 40,080 thousand in 2021 (Note 14). Goodwill within the Veterinary cash-generating unit was recognised in connection with the acquisition of Novasoft A/S EUR 848 thousand in 2021 (Note 14) and Vetserve and Sanimalis in 2019.

The discount rate used for the calculations is based on the weighted average cost of capital (WACC), applied in the currency area in which the CGU is considered to be located. The WACC reflects the market's perception of the time value of money and the risks associated with Nordhealth's business.

Impairment testing

The future cash flow estimates used for impairment testing are based on CGU-specific financial plans for the next three years approved by management. The growth expectation used does not exceed the average long-term growth in the industry. The calculations are affected by the following assumptions:

Forecast net sales: The assumptions are based on a view of estimated future growth and price trend in the market and an estimate of the Group's market share. The assumptions made by management are based on prior experience of business development, the current markets and market share and previous trends, and external appraisals of the outlook for the industry. The average annual growth in net sales used in the calculations is 12.0 % for the 3-year forecast period. A growth expectation of 2.0 % was used to estimate cash flows after the forecasting period.

Development of personnel expenses and other expenses: The assumptions made by management are based on prior experience of personnel cost developments, known salary increase agreements, and the general view of the development of personnel costs.



The discount rate used is the weighted average cost of capital before taxes (WACC). The risk-free interest rate, risk factor (beta), and risk premium parameters used to determine the discount rate are based on market information. The average rate used for the calculations before taxes is 9.6%.

No impairment losses were recognised in 2021 on the basis of annual impairment testing. Goodwill testing will be influenced by how the Group achieves the targets set for 2022 and beyond. Nordhealth's management has assessed that no reasonably possible change in any of the key assumptions would cause any of the CGU's carrying amount to exceed its recoverable amount.

Note 10 – Trade Debtors

Receivables to be repaid within one year are classified as current assets.

	2021	2020
Trade debtors at nominal value	2 468	1 188
Credit loss provision	(35)	(37)
Trade debtors in the balance sheet	2 433	1 151

Note 11 – Prepayments

	2021	2020
Prepayments to vendors	650	506
Total	650	506

Note 12 – Cash, Cash equivalents and Money market fund

In August 2021 Nordhealth transferred EUR 46,515 thousand of cash to fully liquid money market funds with the aim to minimize negative interests and bank solvency risk. Investment is fully liquid and incurs no fees for liquidation. Current value of the investment on 31 December 2021, was EUR 46,458 thousand. Restricted cash amounting to EUR 1,390 (541) thousand includes employee tax withholding and VAT payables.

	2021	2020
Money market funds	46 458	-
Cash in hand and at banks	26 210	3 768
Total	72 668	3 768



Note 13 – Investments in group companies

Companies included in Nordhealth Group

	Parent Company	Business office	Ownership %	Functional currency
Nordhealth AS		Molde, Norway		NOK
Nordhealth Oy	Nordhealth AS	Helsinki, Finland	100 %	EUR
Nordhealth Norway AS	Nordhealth Oy	Molde, Norway	100 %	NOK
Nordhealth Sweden AB	Nordhealth Norway AS	Västerås, Sweden	100 %	SEK
Nordhealth Denmark AS	Nordhealth Norway AS	Hinnerup, Denmark	100 %	DKK
Nordhealth Finland Oy	Nordhealth Oy	Helsinki, Finland	100 %	EUR
Navicre Oy	Nordhealth Oy	Oulu, Finland	100 %	EUR
Estonian Net Solutions OÜ	Nordhealth Oy	Tallinn, Estonia	100 %	EUR
Nordhealth USA Inc.	Nordhealth Oy	Denver, USA	100 %	USD
Provet Cloud (UK)	Nordhealth Oy	London, United Kingdom	100 %	GBP
Aspit AS	Nordhealth Oy	Seljord, Norway	100 %	NOK
Aspit Sverige AB	Aspit AS	Gråbo, Sweden	100 %	SEK

Nordhealth Denmark AS (former Novasoft) was acquired on 1 April 2021 (Note 14).

Aspit AS and Aspiti Sverige AB was acquired on 1 June 2021 (Note 14).

Provet Cloud UK was established on 1 August 2021.

Note 14 – Acquisitions

Consideration paid for the acquisition

Paid in cash	41 274
Transferred liabilities	269
Total	41 543

The following assets and liabilities were recognized as a result of the acquisition:

Tangible assets	503
Non-current financial assets	221
Current assets	1 862
Cash balance	622
Current liabilities	(2 592)
Goodwill	40 927
Total	41 543

On 1 April 2021, the Group completed the acquisition of Novasoft A/S. On 1 June 2021, Nordhealth completed the acquisition of Aspiti AS. The companies have been consolidated into Nordhealth Group from the date of closing.

Aspit AS is a leading supplier of electronic patient record systems (EHR) and IT operations to the healthcare sector in Norway with more than 6,000 therapists using Aspiti's cloud-based Software as a Service ("SaaS") products. Aspiti also provides IT-operational services to several municipalities in Norway. Aspiti is headquartered in Seljord and had at the time of acquisition 55 employees. Aspiti's EHR systems have established a leading position within the psychotherapy market with the product Psykbase, and the physiotherapy/chiropractor markets with the product Physica.

Novasoft A/S is a SaaS based practice management software for veterinaries in Denmark with 7 employees at the time of acquisition. Had the acquisitions taken place at the beginning of 2021, the Group's pro-forma revenues for the year would have been EUR 23,874 (19,854) thousand.



Note 15 – Equity and shares

	Share capital	Share premium	Translation reserve	Retained earnings	Total Equity
Equity 1.1.2021	3	384	(76)	4 643	4 954
Dividends paid	-	-	-	(3 731)	(3 731)
Profit (loss) for the period	-	-	-	(4 731)	(4 731)
Translation reserve	-	-	1 686	-	1 686
Elimination of Nordhealth Oy	(3)	(384)	-	-	(387)
Capital increase in initial public offering	7 829	112 307	-	-	120 136
Cost related to IPO*	-	(3 421)	-	-	(3 421)
Total Equity 31.12.2021	7 829	108 886	1 610	(3 819)	114 506

* Costs include financial and legal assistance in carrying out activities related to transactions structure, market valuation, listing and other similar assistance.

Investor	A-shares	B-shares	Number of total shares	% of total	Type	Country
J.P. Morgan Bank Luxembourg S.A.	4 956 027	29 742 998	34 699 025	43,4 %	Nominee	Luxembourg
State Street Bank and Trust Comp	6 504 657	-	6 504 657	8,1%	Nominee	United States
Nordnet Bank AB	896 394	5 084 866	5 981 260	7,5%	Nominee	Sweden
Morgan Stanley & Co. Int. Plc.	4 757 913	-	4 757 913	5,9%	Nominee	United Kingdom
Fjarde AP-Fonden	3 500 000	-	3 500 000	4,4%	Ordinary	Luxembourg
Goldman Sachs & Co. LLC	2 698 714	-	2 698 714	3,4%	Nominee	United States
Skandinaviska Enskilda Banken AB	1 718 539	-	1 718 539	2,1%	Nominee	Luxembourg
HSBC Trinkaus & Burkhardt AG	1 591 900	-	1 591 900	2,0%	Nominee	Germany
Skandinaviska Enskilda Banken AB	1 253 077	-	1 253 077	1,6%	Nominee	Sweden
Morgan Stanley & Co. LLC	1 229 698	-	1 229 698	1,5%	Nominee	United States
Danske Bank A/S	1 137 500	-	1 137 500	1,4%	Nominee	Denmark
Skandinaviska Enskilda Banken AB	1 065 608	-	1 065 608	1,3%	Nominee	Sweden
Brown Brothers Harriman & Co.	1 049 587	-	1 049 587	1,3%	Nominee	United States
Brown Brothers Harriman & Co.	985 229	-	985 229	1,2%	Nominee	United States
Skandinaviska Enskilda Banken AB	962 225	-	962 225	1,2%	Nominee	Luxembourg
Clearstream Banking S.A.	902 905	-	902 905	1,1%	Nominee	Luxembourg
J.P. Morgan Chase Bank, N.A., London	850 000	-	850 000	1,1%	Nominee	United Kingdom
J.P. Morgan Securities LLC	825 347	-	825 347	1,0%	Nominee	United States
Total number owned by > 1%	36 885 320	34 827 864	71 713 184	90 %	Nominee	United Kingdom
Total number of shares	45 000 000	34 999 999	79 999 999	100 %		

Shares owned by the CEO and the Board of Directors

Name	Role	A-shares	B-shares
Didier Breton	Chairperson	100 000	0
Janne Huttunen	Board Member	453 757	2 723 175
Olli Venemies	Board Member	120 468	722 967
Javier Mata	Board Member	0	0
Charles MacBain*	CEO	3 469 219	20 820 099

* Shares are owned through an investment company.



As at 31 December 2021 Nordhealth AS had a total of 79,999,999 shares outstanding. The Company's shares are divided into two share classes as further detailed below. Only the A-shares are subject to trading in the Euronext Growth Marketplace

A-shares comprise a total of 45,000,000 shares and carry one vote and equal rights in all respects, including rights to dividends. All A-shares are freely transferable. B-shares comprise a total of 34,999,999 shares and are unlisted shares. Each B-share carries 10 votes per share and may at any time, at the option of the holder, be converted into an A-share. If the Unlisted Shares constitute less than 5% of the outstanding number of shares in the Company, they will automatically be converted to A-shares. Each share has a nominal value of NOK 1.00.

Note 16 - Other long-term liabilities

	2021	2020
Liabilities to credit institution	25	1 638
Other long-term liabilities	751	2 392
Total	775	4 030

All other long-term liabilities fall due within less than five years.

Note 17 - Other short-term liabilities

	2021	2020
Advances received from customers	3 806	500
Total	3 806	500

Note 18 - Significant events after the reporting period

On 31 January 2022, Nordhealth completed its acquisition of EasyPractice, a leading cloud-based practice management software provider for therapists.

On 1 February 2022, Yoma Consulting and its Provet Cloud implementation and developments specialists joined Nordhealth.

On 17 February 2022, Extraordinary General Meeting of Nordhealth AS was held. In this meeting, Board of Directors was granted an authorisation to increase the share capital by issuance of new shares and an authorisation to acquire own shares. In accordance with Section 9-4 of the Companies Act, the board is granted an authorisation to acquire own shares on behalf of the Company with a total nominal value of up to NOK 7,999,999, i.e., up to 7,999,999 shares. The maximum amount which can be paid for each share is NOK 50 and the minimum is NOK 1. Acquisition and sale of own shares may take place in any way the board of directors finds appropriate, however not by way of subscription of own shares. The authorisation replaces the current authorisations to acquire own shares when registered in the Norwegian Register of Business Enterprises. The authorisation is valid until and including the date of annual general meeting in 2022, but not later than 30 June 2022.

On 6 April 2022, it was resolved by the Board of Directors to increase share capital by NOK 191,747, divided into 191,747 Class A shares, each with nominal value of NOK 1.00. Following registration of the share capital increase the Company has a share capital of NOK 80,191,746, divided into 45,191,747 Class A shares and 34,999,999 Class B shares, each with nominal value of NOK 1.00.

Nordhealth management and employees have been devastated by the recent events in Ukraine. Whilst the safety and wellbeing of those impacted continues to be the primary concern of all, Nordhealth management have considered the risks caused by the situation which may impact the Group's liquidity, operating results and financial reporting. In making the assessments and accounting judgments management has considered company-specific evidence as well as the broader implications, including the stated sanctions. In their analysis management has considered suspended operations, possibility of cyber-attack, loss of customers or end markets, current inability of customers or debtors to pay. Nordhealth does not have customers, employees or vendors in the affected regions. The Group has ongoing security audit procedures minimizing the risk of the unlikely event of a cyber-attack. These transactions are not adjusting events.



Financial Statements Nordhealth AS

Income Statement Nordhealth AS

NOK in thousands	Note	2021
Other operating income		0
Total operating income		0
Personnel expenses	5	-
Other operating charges	5	(15 650)
Total operating expenses		(15 650)
Operating profit (loss), before Depreciation (EBITDA)		(15 650)
Depreciation and amortization		-
Operating profit (EBIT)		(15 650)
Interest income from group companies	6	8 358
Other financial expenses	7	(15 874)
Profit (loss) before tax		(23 167)
Taxes	13	-
Net profit (loss)	10	(23 167)



Balance Sheet Nordhealth AS

ASSETS

NOK in thousands	Note	2021
Financial assets		
Investments in group companies	8	3 168 763
Total financial assets		3 168 763
Total non-current assets		
		3 168 763
Other receivable from group companies	9	7 879
Prepayments and accrued income		278
Total receivables		8 157
Cash at bank and in hand		3 018
Total cash at bank and in hand		3 018
Total current assets		
		11 175
Total assets		3 179 938

EQUITY AND LIABILITIES

NOK in thousands	Note	2021
Paid-in Equity		
Share capital	10	80 000
Share premium reserve	10	3 115 077
Total paid-in equity		3 195 077
Retained earnings		
Other equity	10	(23 167)
Total retained earnings		(23 167)
Total equity	10	3 171 910
Accounts payable		4
Accounts payable to group companies	11	4 654
Accrued expenses to group companies	12	3 190
Accrued expenses and deferred income		180
Total current liabilities		8 028
Total equity and liabilities		3 179 938



The Board of Directors of Nordhealth AS, Molde 28 April 2022

DocuSigned by:
Charles MacBain
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Charles MacBain
CEO
DocuSigned by:
Olli Venemies
D07329B8BD224BB...
Olli Venemies
Board member

DocuSigned by:
Didier Breton
24B15D3150D14E6...
Didier Breton
Chairman of the board
DocuSigned by:
Janne Huttunen
4AFCD15BBF3446E...
Janne Huttunen
Board member

DocuSigned by:
Mari Orttovuori
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Mari Orttovuori
Chief Financial Officer
DocuSigned by:
Javier Mata
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Javier Mata
Board member



Cash flow statement Nordhealth AS

NOK in thousands	2021
Cash flow from operations	
Profit (loss) before income taxes	(8 280)
Change in other receivables	(7 879)
Change in trade creditors (AP)	4 658
Change in other provisions	3 093
Net cash flow from operations	(8 407)
Cash flow from financing	
Initial public offering	1 188 620
Proceeds from issuance of equity	60
Cash flow from financing	1 188 680
Cash flow from investing items	
Loans to group companies*	(1 177 254)
Cash flow from investing items	(1 177 254)
Net change in cash and cash equivalents	3 018
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	3 018

*Loan converted to equity in 2021



Note 1 – Reporting entity

Nordhealth AS is a company registered in Norway and traded on the Euronext Growth Oslo. The Company's registered business address is Eikremsvingen 9, 6422 Molde, Norway.

Nordhealth AS was incorporated on 6 April 2021 and consequently hasn't published any financial statements. However, the Company is a holding company which owns 100% of the shares in Nordhealth Oy, the former parent company of the Group, incorporated on 14 January 2008. The Company became the new parent company of the Group following completion of the Pre-Admission Reorganisation, completed on 18 May 2021.

Note 2 – Basis of presentation

The financial statements of Nordhealth AS are prepared in compliance with the Norwegian accounting act and generally accepted accounting principles in Norway.

The functional currency of Nordhealth AS is Norwegian krone (NOK). Nordhealth AS financial statements are presented in thousands of NOK.

Note 3 – Accounting principles

Subsidiaries

Subsidiaries are initially recognised at acquisition cost plus direct costs related to the acquisition. Shares in subsidiaries are measured at original acquisition cost less impairment. Write-down to fair value is carried out if the impairment in value is caused by circumstances which may not be regarded as temporary and deemed necessary by generally accepted accounting principles. Impairments are reversed when the basis for the impairment no longer exists.

Dividends and other distributions are recognised as income in the same year that they are proposed in the subsidiary. If the dividend exceeds the share of retained earnings after the acquisition, the excess share is deemed to represent repayment of the invested capital, and the distributions are deducted from the value of the investment in the balance sheet.

Currency translation

Transactions of the Company are mainly generated in the local currency. Transaction risk arises from transactions and payments in currencies other than the Company's functional currency, and when the related cash inflows and outflows differ in amount or timing. Transactions in foreign currencies are translated into the Company's functional currency at the rate of exchange prevailing at the date of the transaction. Exchange rate gains and losses from operations are included in financial income and expenses in the statement of income. The unsettled balances on foreign currency receivables and liabilities are valued at the rates of exchange prevailing at the end of the accounting period.

Cost of issuing equity

Material transaction costs directly related to an equity transaction is recorded as a deduction from other paid-in equity. This applies to issuance of shares and results as an increase or decrease of equity.

Cost related to investor relations and stock exchange transactions are booked as other operating expenses.

Cash flow

The cash flow statement has been prepared following the indirect method. Cash and cash equivalents include cash, bank deposits, and other short-term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the measurement of the reported assets and liabilities and other information. The estimates are based on prior experience and assumptions concerning the future deemed most likely on the balance sheet date. Any changes in the estimates and



assumptions are entered in accounting in the period during which the estimates and assumptions are adjusted, as well as in all subsequent periods. Although these estimates and assumptions are based on the management's best knowledge of current events and actions, actual results may differ from the estimates used in the preparation of financial statements.

Classification of assets and liabilities

Non-current assets consist of tangible and intangible assets and financial assets which mature in more than 12 months. Current financial assets include trade receivables and other receivables and other financial assets which mature in less than 12 months.

Financial liabilities are classified as non-current liabilities if they mature in more than 12 months. Liabilities maturing in less than 12 months are classified as current.

Valuation of financial assets and liabilities

At initial recognition financial assets and liabilities are measured at cost. Permanent changes in fair value of financial assets and liabilities are recognised through profit or loss.

Tax

Income taxes are recognised in accordance with Norwegian tax legislation. Tax expenses in the income statement comprise of tax based on taxable income together with changes in deferred taxes.

Deferred taxes are calculated on all temporary differences between the carrying amount and tax value. Temporary differences arise from sources such as fair value measurement of financial assets and differences between taxable values and carrying amounts on fixed assets. Deferred tax is not recognized for non-deductible impairment of goodwill or undistributed earnings of subsidiaries to the extent that it is probable that the difference will not be realized in the foreseeable future. Deferred taxes have been calculated using the tax rates enacted or tax rates of which confirmed content has been published by the closing date. Deferred tax assets are recognized for tax losses carried forward and other temporary differences to the extent that corresponding taxable profits are likely to be generated in the future periods. Management estimates the amount of deferred tax assets and the probability of utilization on each balance sheet date. Deferred tax assets and liabilities are offset if the Company has a legally enforceable right to offset the tax assets and liabilities based on the period's taxable income, and the deferred tax assets and liabilities relate to income taxes within the same tax jurisdiction. Deferred tax assets and liabilities are presented on the balance sheet as separate items included in non-current assets or liabilities.

Note 4 – Significant events during the accounting period

Upon Nordhealth AS establishment the Company acquired shares in Nordhealth Oy, the previous parent company of Nordhealth Group, from TPG Three Plus Group Luxembourg SA financed by way of seller credit. The purchase price liability amounting to NOK 1,705,051 thousand was fully converted to equity by a debt conversion. The Company also received a share contribution from other shareholders by issuing new shares to the other owners amounting to NOK 301,345 thousand, measured at fair value. Upon the listing of the shares in Euronext Growth marketplace the company received NOK 1,223,580 thousand in cash as share capital received by the new shareholders against issuance of shares. Listing related expenses of NOK 34,960 thousand were recorded as a deduction from other paid-in equity.

During 2021 in intercompany loan amounting to EUR 116,000 thousand was issued by the Company to Nordhealth Oy. The loan was later during 2021 fully converted to equity by a debt conversion.



Note 5 – Other operating expenses and salaries

	2021
Administrative services from group companies	3 190
Legal services	1 257
Other administrative services	4 654
Auditors' fees	424
Insurances	409
Other operative costs	5 716
Total*	15 650

* Non-Recurring items from IPO and group re-organisation amounted to NOK 10,129 thousand in 2021.

Auditing services

	2021
Statutory audit	224
Technical accounting and tax counselling	200
Other services	-
Total	424

Amounts including VAT.

Salaries

Nordhealth AS didn't have any employees during the financial year. Group CEO's salary is paid from a subsidiary. See Note 5 in Consolidated financial statements.

Note 6 – Interest income from group companies

	2021
Nordhealth Oy	8 358
Total	8 358

All transactions with subsidiaries are based on the arm's length principle.

Note 7 – Interest and other financial expenses

	2021
Loss on currency	15 855
Other financial expenses	19
Total	15 874



Note 8 – Investments in group companies

	Location	Ownership %	Functional currency	Investment	Net result	Equity
Nordhealth Oy	Lohja, Finland	100 %	EUR	3 183 650	(9 555)	1 152 993
Total				3 183 650	(9 555)	1 152 993

Companies included in Nordhealth Group

	Parent Company	Business office	Ownership %	Functional currency
Nordhealth AS		Molde, Norway		NOK
Nordhealth Oy	Nordhealth AS	Helsinki, Finland	100 %	EUR
Nordhealth Norway AS	Nordhealth Oy	Molde, Norway	100 %	NOK
Nordhealth Sweden AB	Nordhealth Norway AS	Västerås, Sweden	100 %	SEK
Nordhealth Denmark AS	Nordhealth Norway AS	Hinnerup, Denmark	100 %	DKK
Nordhealth Finland Oy	Nordhealth Oy	Helsinki, Finland	100 %	EUR
Navicre Oy	Nordhealth Oy	Oulu, Finland	100 %	EUR
Estonian Net Solutions OÜ	Nordhealth Oy	Tallinn, Estonia	100 %	EUR
Nordhealth USA Inc.	Nordhealth Oy	Denver, USA	100 %	USD
Provet Cloud (UK)	Nordhealth Oy	London, United Kingdom	100 %	GBP
Aspit AS	Nordhealth Oy	Seljord, Norway	100 %	NOK
Aspit Sverige AB	Aspit AS	Gråbo, Sweden	100 %	SEK

Nordhealth Denmark AS (former Novasoft) was acquired on 1 April 2021 (Note 14).

Aspit AS and Aspit Sverige AB was acquired on 1 June 2021 (Note 14).

Provet Cloud UK was established on 1 August 2021.

Note 9 – Other receivables from group companies

	2021
Nordhealth Oy	7 879
Total other current receivables	7 879



Note 10 – Equity and shares

Investor	A-shares	B-shares	Number of total shares	% of total	Type	Country
J.P. Morgan Bank Luxembourg S.A.	4 956 027	29 742 998	34 699 025	43,4 %	Nominee	Luxembourg
State Street Bank and Trust Comp	6 504 657	-	6 504 657	8,1 %	Nominee	United States
Nordnet Bank AB	896 394	5 084 866	5 981 260	7,5 %	Nominee	Sweden
Morgan Stanley & Co. Int. Plc.	4 757 913	-	4 757 913	5,9 %	Nominee	United Kingdom
Fjarde AP-Fonden	3 500 000	-	3 500 000	4,4 %	Ordinary	Luxembourg
Goldman Sachs & Co. LLC	2 698 714	-	2 698 714	3,4 %	Nominee	United States
Skandinaviska Enskilda Banken AB	1 718 539	-	1 718 539	2,1 %	Nominee	Luxembourg
HSBC Trinkaus & Burkhardt AG	1 591 900	-	1 591 900	2,0 %	Nominee	Germany
Skandinaviska Enskilda Banken AB	1 253 077	-	1 253 077	1,6 %	Nominee	Sweden
Morgan Stanley & Co. LLC	1 229 698	-	1 229 698	1,5 %	Nominee	United States
Danske Bank A/S	1 137 500	-	1 137 500	1,4 %	Nominee	Denmark
Skandinaviska Enskilda Banken AB	1 065 608	-	1 065 608	1,3 %	Nominee	Sweden
Brown Brothers Harriman & Co.	1 049 587	-	1 049 587	1,3 %	Nominee	United States
Brown Brothers Harriman & Co.	985 229	-	985 229	1,2 %	Nominee	United States
Skandinaviska Enskilda Banken AB	962 225	-	962 225	1,2 %	Nominee	Luxembourg
Clearstream Banking S.A.	902 905	-	902 905	1,1 %	Nominee	Luxembourg
J.P. Morgan Chase Bank, N.A., London	850 000	-	850 000	1,1 %	Nominee	United Kingdom
J.P. Morgan Securities LLC	825 347	-	825 347	1,0 %	Nominee	United States
Total number owned by > 1%	36 885 320	34 827 864	71 713 184	90 %	Nominee	United Kingdom
Total number of shares	45 000 000	34 999 999	79 999 999	100 %		

Shares owned by the CEO and the Board of Directors

Name	Role	A-shares	B-shares
Didier Breton	Chairperson	100 000	0
Janne Huttunen	Board Member	453 757	2 723 175
Olli Venemies	Board Member	120 468	722 967
Javier Mata	Board Member	0	0
Charles MacBain*	CEO	3 469 219	20 820 099

* Shares are owned through an investment company.

Equity and shares of Nordhealth AS

	Share capital	Share premium	Retained earnings	Total Equity
Equity 1.1.2021	-	-	-	-
Company establishment	30	30	-	60
Capital increase from re-organisation	49 970	1 956 427	-	2 006 397
Capital increase from IPO*	30 000	1 193 580	-	1 223 580
Costs related to IPO*	-	(34 960)	-	(34 960)
Profit (loss) for the period	-	-	(23 167)	(23 167)
Total Equity 31.12.2021	80 000	3 115 077	(8 280)	3 171 910

* Costs include financial and legal assistance in carrying out activities related to transactions structure, market valuation, listing and other similar assistance.



As at 31 December 2021 Nordhealth AS had a total of 79,999,999 shares outstanding. The Company's shares are divided into two share classes as further detailed below. Only the A-shares are subject to trading in the Euronext Growth Marketplace

A-shares comprise a total of 45,000,000 shares and carry one vote and equal rights in all respects, including rights to dividends. All A-shares are freely transferable. B-shares comprise a total of 34,999,999 shares and are unlisted shares. Each B-share carries 10 votes per share and may at any time, at the option of the holder, be converted into an A-share. If the Unlisted Shares constitute less than 5% of the outstanding number of shares in the Company, they will automatically be converted to A-shares. Each share has a nominal value of NOK 1.00.

Note 11 – Accounts payable to group companies

	2021
Nordhealth Oy	4 654
Total current accounts payables	4 654

Note 12 – Accrued expenses to group companies

	2021
Nordhealth Oy	3 190
Total	3 190

Note 13 – Tax

	2021
Profit (loss) before taxes	(23 167)
Permanent differences	(34 960)
Change in temporary differences	
Tax base	(58 127)
Payable tax	-
Total tax payable	-

Losses carried forward

Entity	Country	Tax loss carried forward	Tax rate	Deferred tax benefit not capitalized
Nordhealth AS	Norway	(58 127)	22 %	(12 788)
Total		(58 127)		(12 788)

The Parent entity does not have other temporary differences, and it did not recognize any deferred tax assets based on the result of 2021.

Note 14 – Significant events after the reporting period

On 6 April 2022, it was resolved by the Board of Directors to increase share capital by NOK 191,747, divided into 191,747 Class A shares, each with nominal value of NOK 1.00. Following registration of the share capital increase the Company has a share capital of NOK 80,191,746, divided into 45,191,747 Class A shares and 34,999,999 Class B shares, each with nominal value of NOK 1.00.



To the General Meeting of Nordhealth AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Nordhealth AS, which comprise:

- The financial statements of the parent company Nordhealth AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Nordhealth AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial

statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Bergen, 29 April 2022
KPMG AS



Knut Olav Karlsen
State Authorised Public Accountant